

INVESTOR PRESENTATION

November 2023

FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements relating to future events and expectations, including our expectations (i) for our future financial and operational results (including expectations for future growth); (ii) regarding capital expenditures and the results of investments in research and design; (iii) regarding electricity consumption from renewable sources; (iv) regarding growth in the markets we serve including industrial, communications, electronics, and instrumentation; (v) regarding artificial intelligence and the growth in the datacom transceiver global market and opportunity by laser type; (vi) regarding silicon carbide including, without limitation, our ability to demonstrate the world's first 300mm silicon carbide wafer, our ability to continue accelerating time-to-market, our capacity to expand; the silicon carbide investment transaction (the "SIC Investment Transaction") and the benefits thereof; (vii) regarding the acquisition of Coherent, Inc. including, without limitation, market trends for display manufacturing, our ability to leverage our industrial service model in other markets and value creation potential from cost synergies; (viii) regarding our capitalization for future growth; and (ix) regarding floating rate debt exposure reduction, each of which, is based on certain assumptions and contingencies. The forward-looking statements are made pursuant to the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995 and relate to the Company's performance on a going-forward basis. The forward-looking statements in this investor presentation involve risks and uncertainties, which could cause actual results, performance or trends to differ materially from those expressed in the forward-looking statements herein or in previous disclosures.

The Company believes that all forward-looking statements made by it in this presentation have a reasonable basis, but there can be no assurance that management's expectations, beliefs, or projections as expressed in the forward-looking statements will actually occur or prove to be correct. In addition to general industry and global economic conditions, factors that could cause actual results to differ materially from those discussed in the forward-looking statements in this presentation include but are not limited to: (i) the failure of any one or more of the assumptions stated herein to prove to be correct; (ii) the risks relating to forward-looking statements and other "Risk Factors" discussed in (x) the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2023 related to the SIC Investment Transaction and (y) in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2023 and additional risk factors that may be identified from time to time in filings of the Company; (iii) the substantial indebtedness the Company incurred in connection with its acquisition of Coherent, Inc. (the "Transaction"), the need to generate sufficient cash flows to service and repay such debt and the Company's ability to generate sufficient funds to meet its anticipated debt reduction goals; (iv) the possibility that the Company may not be able to continue its integration progress on and/or take other restructuring actions, or otherwise be able to achieve expected synergies, operating efficiencies, including greater scale, focus, resiliency, and lower operating costs, and other benefits within the expected time-frames or at all and ultimately to successfully fully integrate the operations of Coherent, Inc. ("Coherent") with those of the Company; (v) the possibility that such integration and/or the restructuring actions may be more difficult, time-consuming or costly than expected or that operating costs and business disruption (including, without limitation, disruptions in relationships with employees, customers or suppliers) may be greater than expected in connection with the Transaction and/or the restructuring actions; (vi) any unexpected costs, charges or expenses resulting from the Transaction and/or the restructuring actions; (vii) the risk that disruption from the Transaction and/or the restructuring actions materially and adversely affects the respective businesses and operations of the Company and Coherent; (viii) potential adverse reactions or changes to business relationships resulting from the completion of the Transaction and/or the restructuring actions; (ix) the ability of the Company to retain and hire key employees; (x) the purchasing patterns of customers and end users; (xi) the timely release of new products, and acceptance of such new products by the market; (xii) the introduction of new products by competitors and other competitive responses; (xiii) the Company's ability to assimilate other recently acquired businesses, and realize synergies, cost savings, and opportunities for growth in connection therewith, together with the risks, costs, and uncertainties associated with such acquisitions; (xiv) the Company's ability to devise and execute strategies to respond to market conditions; (xv) the risks to realizing the benefits of investments in R&D and commercialization of innovations; (xvi) the risks that the Company's stock price will not trade in line with industrial technology leaders; (xvii) the risks of business and economic disruption related to worldwide health epidemics or outbreaks that may arise and/or (xviii) the risk that the investments by DENSO and Mitsubishi in our Silicon Carbide business are not completed. The Company disclaims any obligation to update information contained in these forward-looking statements, whether as a result of new information, future events or developments, or otherwise.

Unless otherwise indicated in this presentation, all information in this presentation is as of November 6, 2023. This presentation contains non-GAAP financial measures and key metrics relating to the Company's past performance. These non-GAAP financial measures are in addition to, and not as a substitute for or superior to, measures of financial performance prepared in accordance with U.S. GAAP. There are a number of limitations related to the use of these non-GAAP financial measures versus their nearest GAAP equivalents. For example, other companies may calculate non-GAAP financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures as tools for comparison. As required by Regulation G, we have provided reconciliations of those measures to the most directly comparable GAAP measures in the section captioned "GAAP to NON-GAAP RECONCILIATION."

COHERENT AT A GLANCE



**FROM A FOUNDATION OF MATERIALS AND IMAGINATION,
WE ENABLE EXCITING MEGATRENDS**

1971

Year Founded

COHR

NYSE

26,000+

Employees ⁽¹⁾

\$5.2 B

FY23
Revenue

2,400+

Research & Development ⁽¹⁾

\$64 B

Available
Market ⁽¹⁾

3,000+

Patents ⁽¹⁾

126

Locations

**VERTICAL
INTEGRATION**

Materials, Components,
Subsystems, Systems
and Service

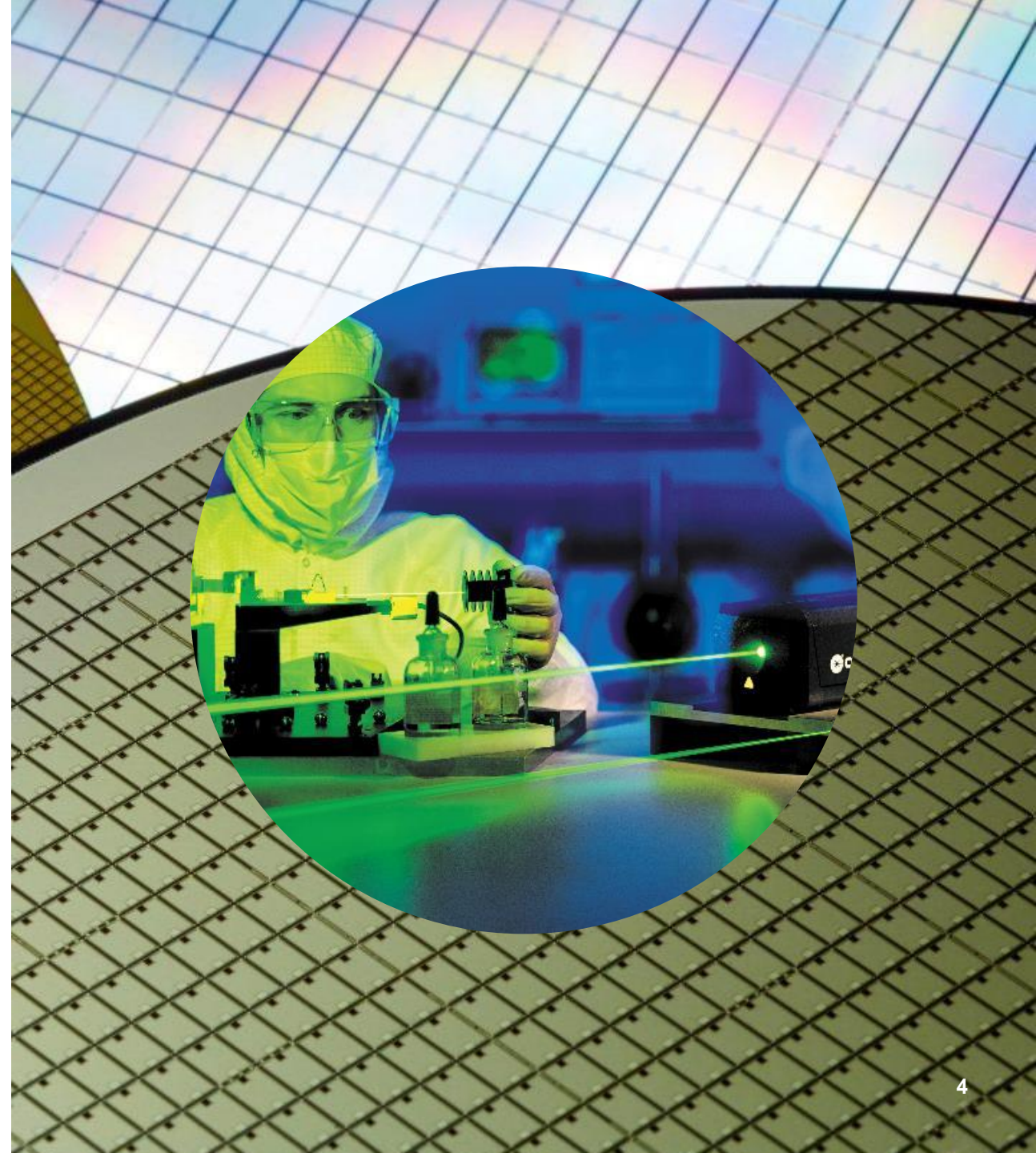
24

Countries

⁽¹⁾ As of June 20, 2023

BUILDING MOMENTUM FOR 50 YEARS

- One of the largest photonics and compound semiconductor companies
- Materials expertise drives differentiation in multiple growing markets
- Vertically integrated, diverse global manufacturing footprint
- History of insightful targeting and successful integration of strategic acquisitions
- Experienced management team with a successful track record
- Strong execution and resilient growth



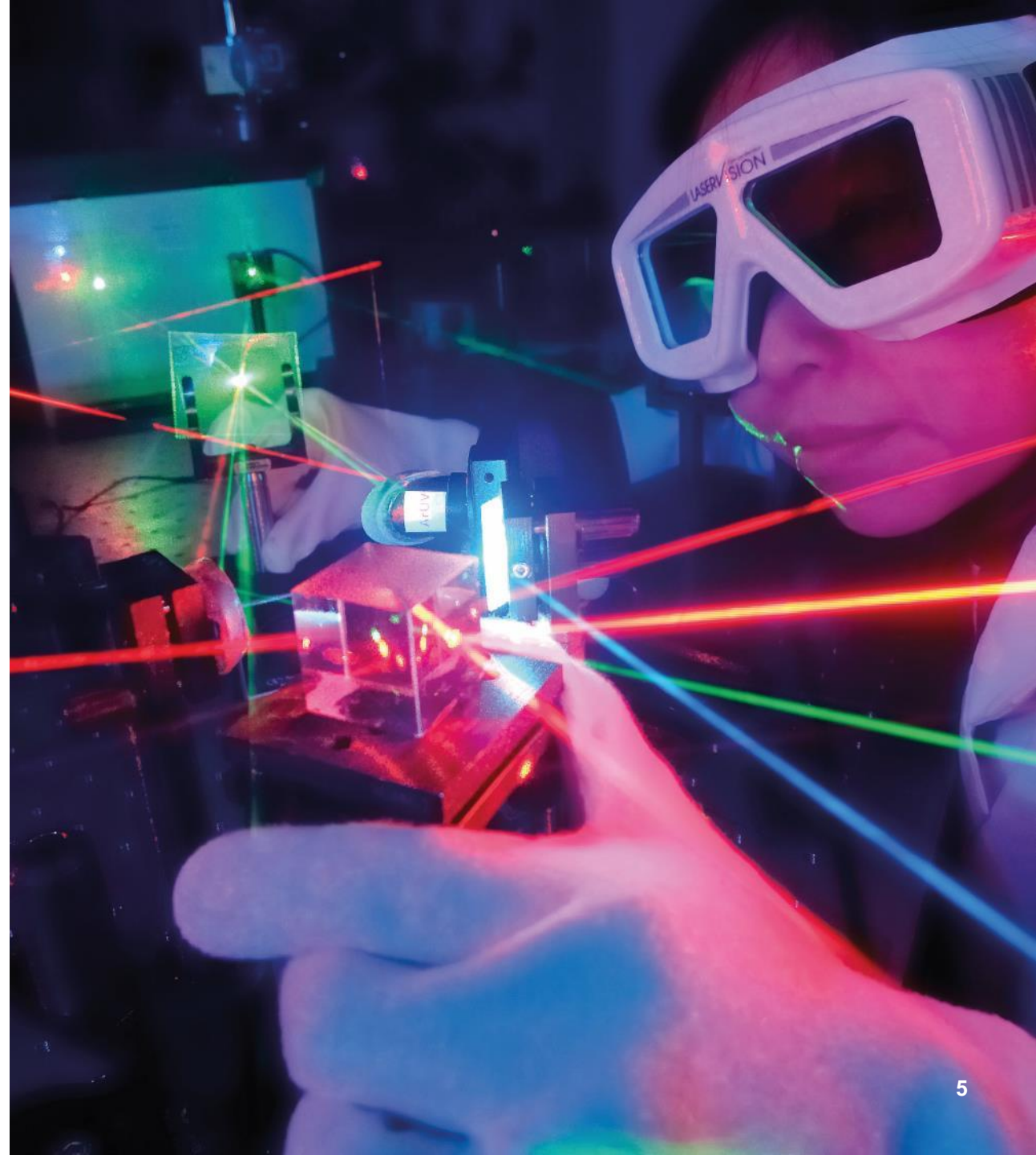
HALF A BILLION DOLLARS IN ANNUAL R&D INVESTMENT

- Combined R&D and capex spend expected to be highest in industry and to accelerate breakthroughs, time-to-market and time-to-scale advantages
- Increased scale improves competitiveness and drives more strategic dialogue with customers
- Will enable better alignment of organic and inorganic investments to market demand
- Drives profitability and targeted returns

“We are mainly constrained by the quality of our materials and the limits of our imaginations.”

Dr. Carl J. Johnson

Co-founder and first CEO of the Company



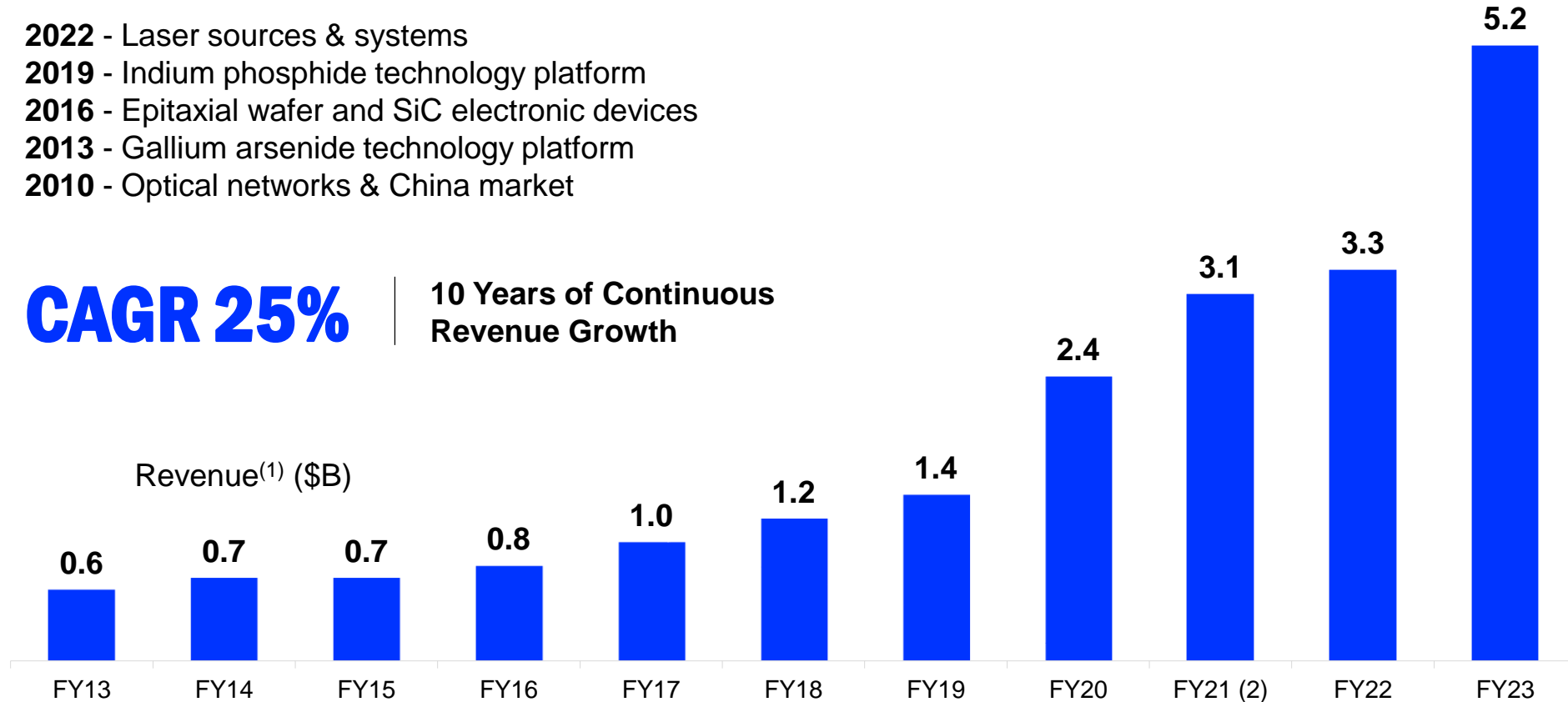
INSIGHTFUL TARGETING AND INTEGRATION OF STRATEGIC ACQUISITIONS

5 Transformative Acquisitions

- 2022 - Laser sources & systems
- 2019 - Indium phosphide technology platform
- 2016 - Epitaxial wafer and SiC electronic devices
- 2013 - Gallium arsenide technology platform
- 2010 - Optical networks & China market

CAGR 25%

10 Years of Continuous Revenue Growth



(1) Figures prior to FY2019 do not reflect the adoption of ASC 606.

(2) Prepared in accordance to ASC 805. Includes the revenue of Finisar in Q1FY20 prior to the acquisition date of 9/24/20. Not calculated in accordance with Article 11 of SEC regulation S-X.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) IS A PRIORITY

SUSTAINABLE.

CARBON FOOTPRINT REDUCTION

- >50% of all energy requirements worldwide are procured from renewable sources
- 100% renewable electricity for all sites in Europe
- Numerous energy efficiency projects completed, saving over 26 million kWh of energy per year

INCLUSIVE.

ENGAGED EMPLOYEES

- Expanded our diversity, equity, and inclusion efforts
- Streamlined talent management processes to improve the experience for both managers and employees
- Multiple philanthropic projects in communities where Coherent operates around the globe

PRINCIPLED.

MANAGED TO ESG STANDARDS

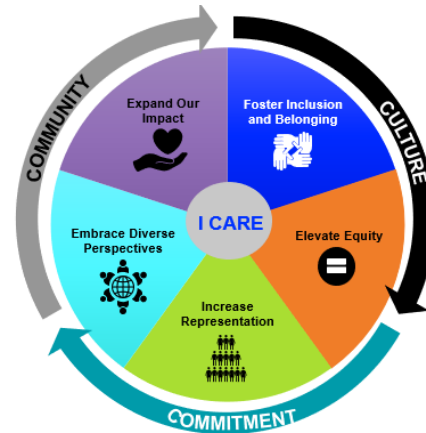
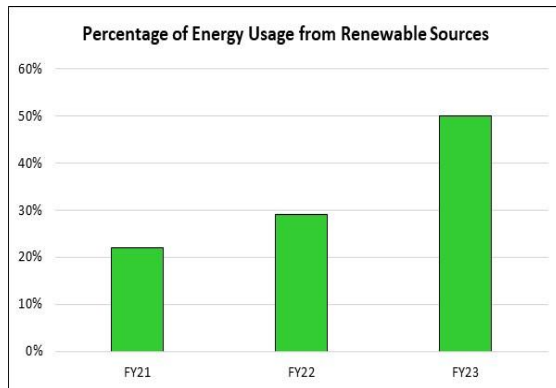
- Committed to comply with the Responsible Business Alliance Code of Conduct
- Over two dozen ESG related policies updated and standardized globally

INNOVATIVE.

PRODUCTS AND TECHNOLOGY

Investing to help the world reduce energy use and transition to cleaner energy solutions, including:

- Silicon Carbide for power electronics
- Battery manufacturing for e-mobility and energy storage at scale
- Advanced materials for battery production and recycling

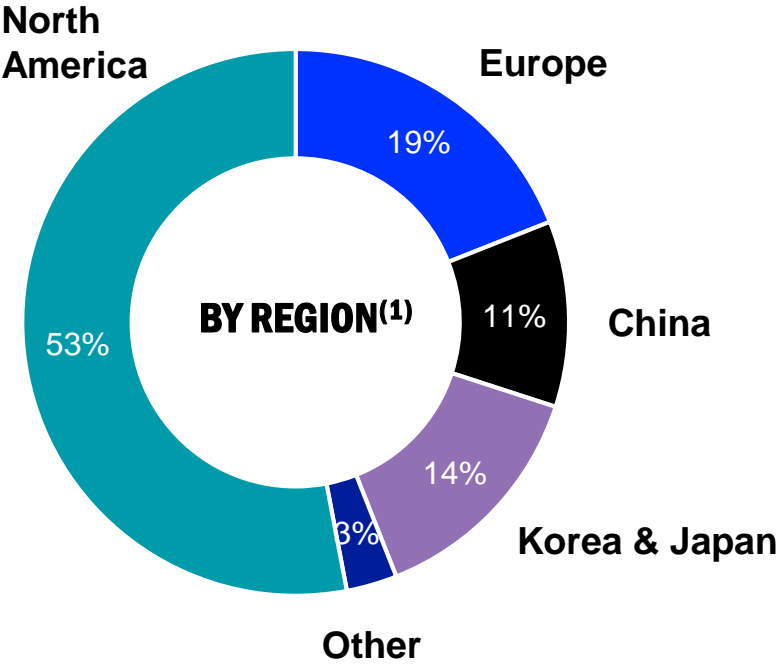
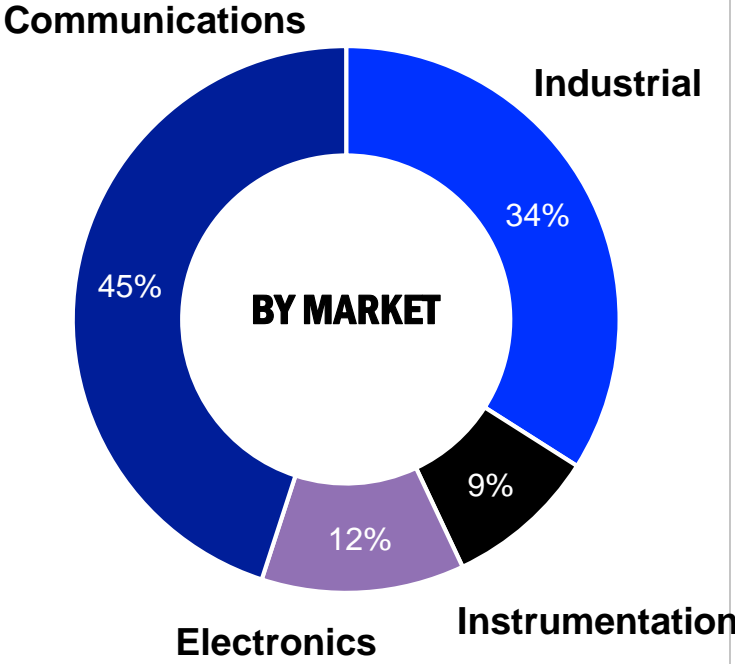
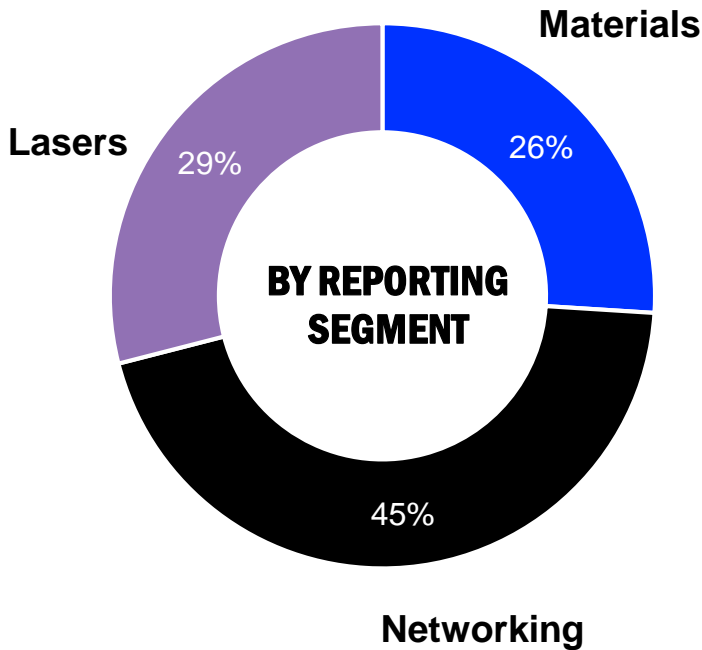


BOARD OVERSIGHT

- 13 of 14 (93%) of Board members are independent
- All of our Board committees are independent
- 10 of 14 (71%) of Board members joined within past 5 years
- 4 of 14 (29%) are female
- 8 of 14 (57%) of Board members are female and/or ethnically diverse

\$5.2 BILLION OF REVENUE IN FY23

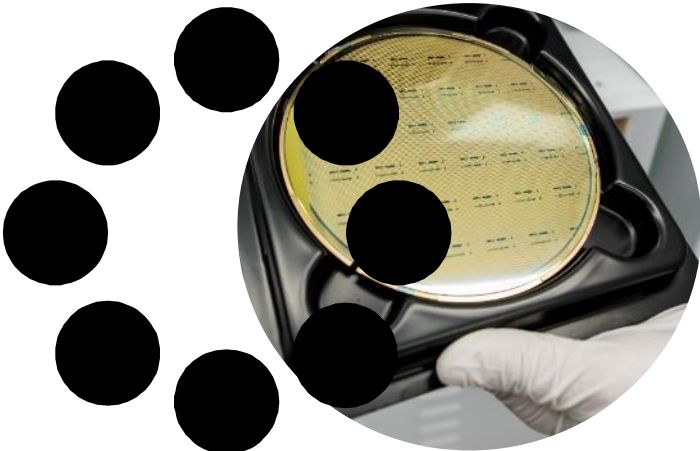
WELL DIVERSIFIED ACROSS TECHNOLOGY, PRODUCTS, AND GEOGRAPHIC MARKETS



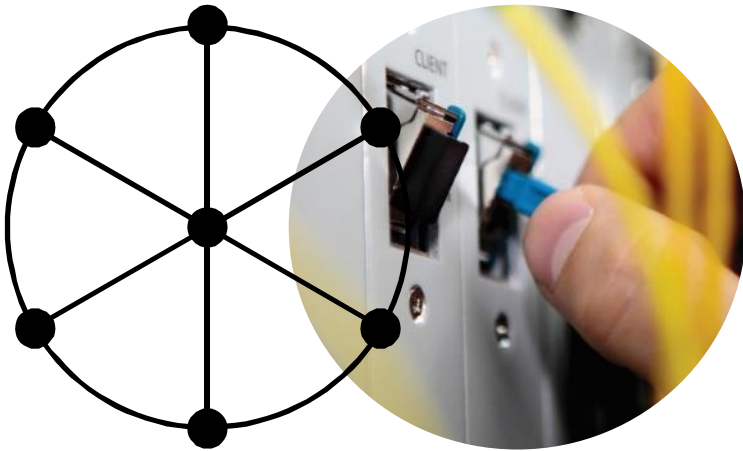
(1) Revenue by region is based on customer headquarter addresses.
 (2) Amounts may not recalculate due to rounding.

THREE REPORTING SEGMENTS

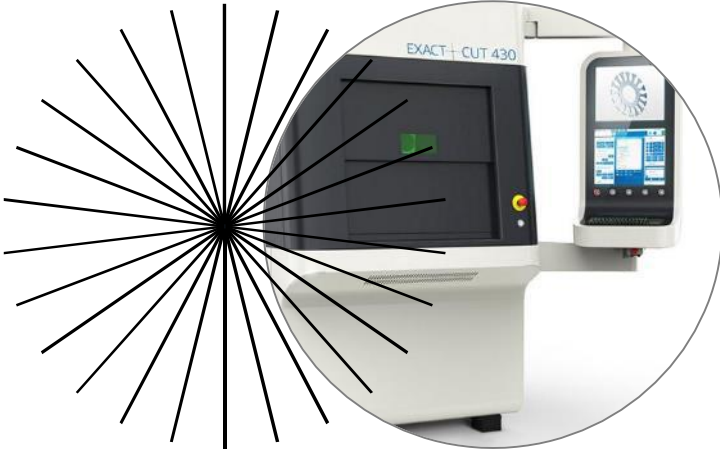
MATERIALS



NETWORKING



LASERS



INNOVATIONS THAT RESONATE

FOUR ATTRACTIVE GROWTH MARKETS

AGGREGATE \$64B TAM

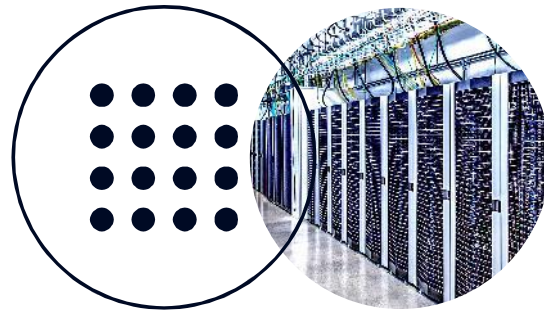
14% FIVE-YEAR CAGR (2023-28)



INDUSTRIAL

TAM: \$22B
CAGR: 9%

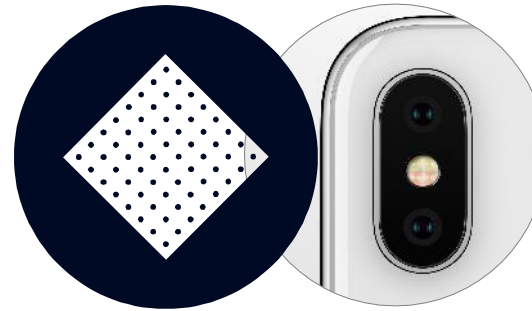
Sources: Optech Consulting, TechInsight, Strategies Unlimited, SEMI, Internal Estimates, DSCC



COMMUNICATIONS

TAM: \$23B
CAGR: 14%

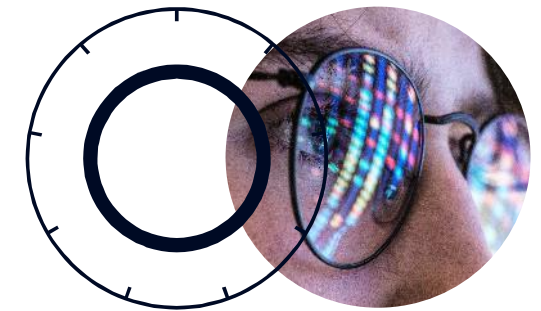
Sources: LightCounting, Omdia, Cignal AI, Yole, Dell'Oro Internal Estimates



ELECTRONICS

TAM: \$14B
CAGR: 20%

Sources: IDC, Morgan Stanley, Research & Markets, Forbes, Yole, Strategy Analytics, IdTechEx, Internal Estimates



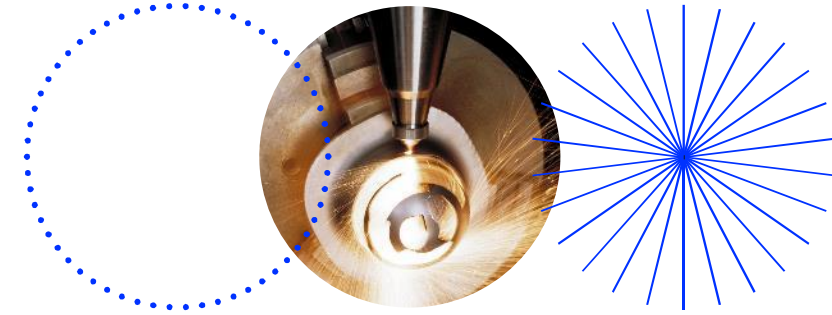
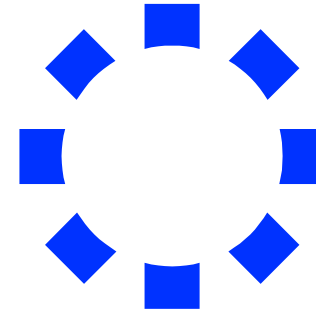
INSTRUMENTATION

TAM: \$5B
CAGR: 8%

Sources: Strategies Unlimited, Markets & Markets, SDI (Strategic Directions), Internal Estimates

Note: TAM based on CY2023

INDUSTRIAL



MARKET VERTICALS AND MEGATRENDS

Precision manufacturing

- Giga factories for EV battery processing
- Advanced medical devices
- Additive manufacturing

Semiconductor & display capital equipment

- Increasing laser content from ingot to packaged ICs
- OLED for mobile and micro-LED for high-end TV and large displays

Aerospace and Defense

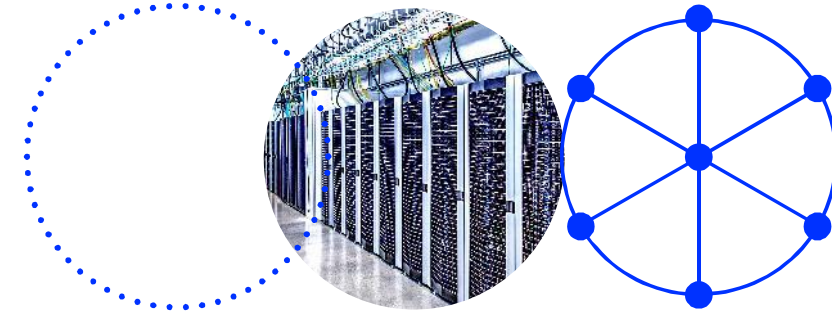
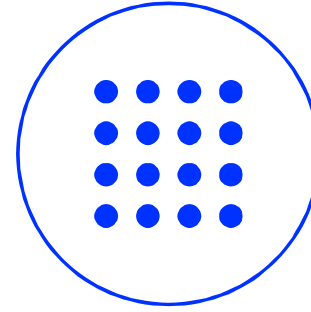
PRODUCTS

- Fiber lasers for laser welding of batteries
- UV lasers for OLED manufacturing
- Laser systems, subsystems, and processing heads
- Laser components, optics, crystals
- Ceramics, metal matrix composites, and diamond

VALUE PROPOSITION

- 50 years of experience in laser technology
- Long term technology partner across all laser architectures
- Broadest spectrum of laser and systems technologies
- One stop shop for processing equipment
- Productivity enhancement through innovation and knowhow

COMMUNICATIONS



MARKET VERTICALS AND MEGATRENDS

Datacom

- Increasing spend on cloud infrastructure
- Artificial Intelligence/Machine Learning

Telecom

- Open disaggregated systems
- Pluggable coherent transceivers

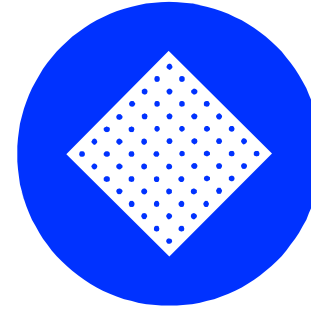
PRODUCTS

- 100 to 800 Gbps datacom transceivers
- Pluggable coherent transceivers
- Wavelength selective switches (WSS)
- Pluggable optical line subsystems (POLS)
- Terrestrial and submarine pump lasers
- InP edge emitting lasers and GaAs VCSELs

VALUE PROPOSITION

- Largest supplier of optical communications components
- Vertically integrated from material through subsystems, including coherent DSPs
- Industry pioneer in broad range of technology platforms
- Industry leading investments in R&D
- Global and flexible manufacturing footprint

ELECTRONICS



MARKET VERTICALS AND MEGATRENDS

Consumer electronics

- Advanced sensing
- AR/VR
- Wearables as health monitors

Automotive

- Increasing SiC electronics content in EVs
- Automotive sensing: in-cabin and LiDAR

PRODUCTS

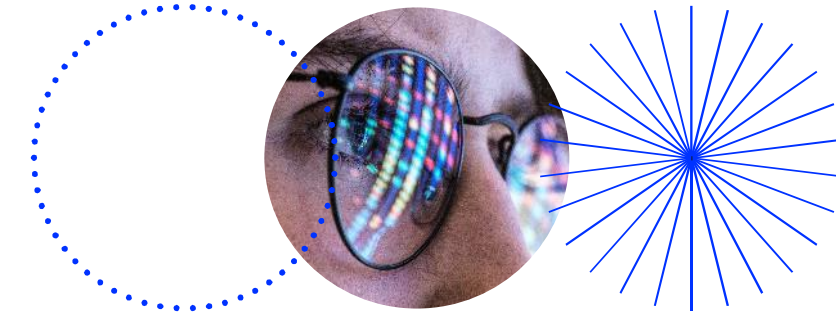
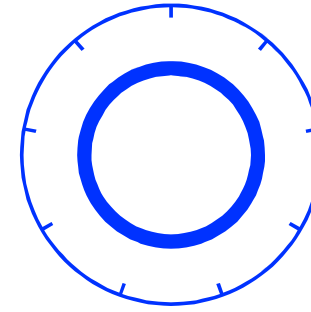
- GaAs and InP optoelectronics
- VCSELs and edge emitting lasers
- Laser illumination modules
- Wafer level optics and subassemblies
- Waveguide materials, diffractive optics
- Silicon carbide substrates and epiwafers
- SiC MOSFET devices and modules

VALUE PROPOSITION

- Broadest portfolio of optoelectronics, optics, and electronics
- High-volume consumer electronics experience
- Differentiated, proprietary compound semiconductor platforms
 - 150 mm gallium arsenide platform
 - 200 mm silicon carbide platform
 - Leading indium phosphide platform
 - Decades of investment in high quality silicon carbide substrates
- Cross-functional engineering and integration expertise

INNOVATIONS THAT RESONATE

INSTRUMENTATION



MARKET VERTICALS AND MEGATRENDS

Life Sciences

- Smart healthcare evolution, largely based on technology
- Point-of-care diagnostics
- Personalized medicine

Scientific Instrumentation

- Environmental sustainability
- Advanced instrumentation

PRODUCTS

- Materials, optics, lasers, and thermoelectrics
- Components to subassemblies and subsystems
- Optical, mechanical, electrical and software integration
- ISO 9001 & 13485

VALUE PROPOSITION

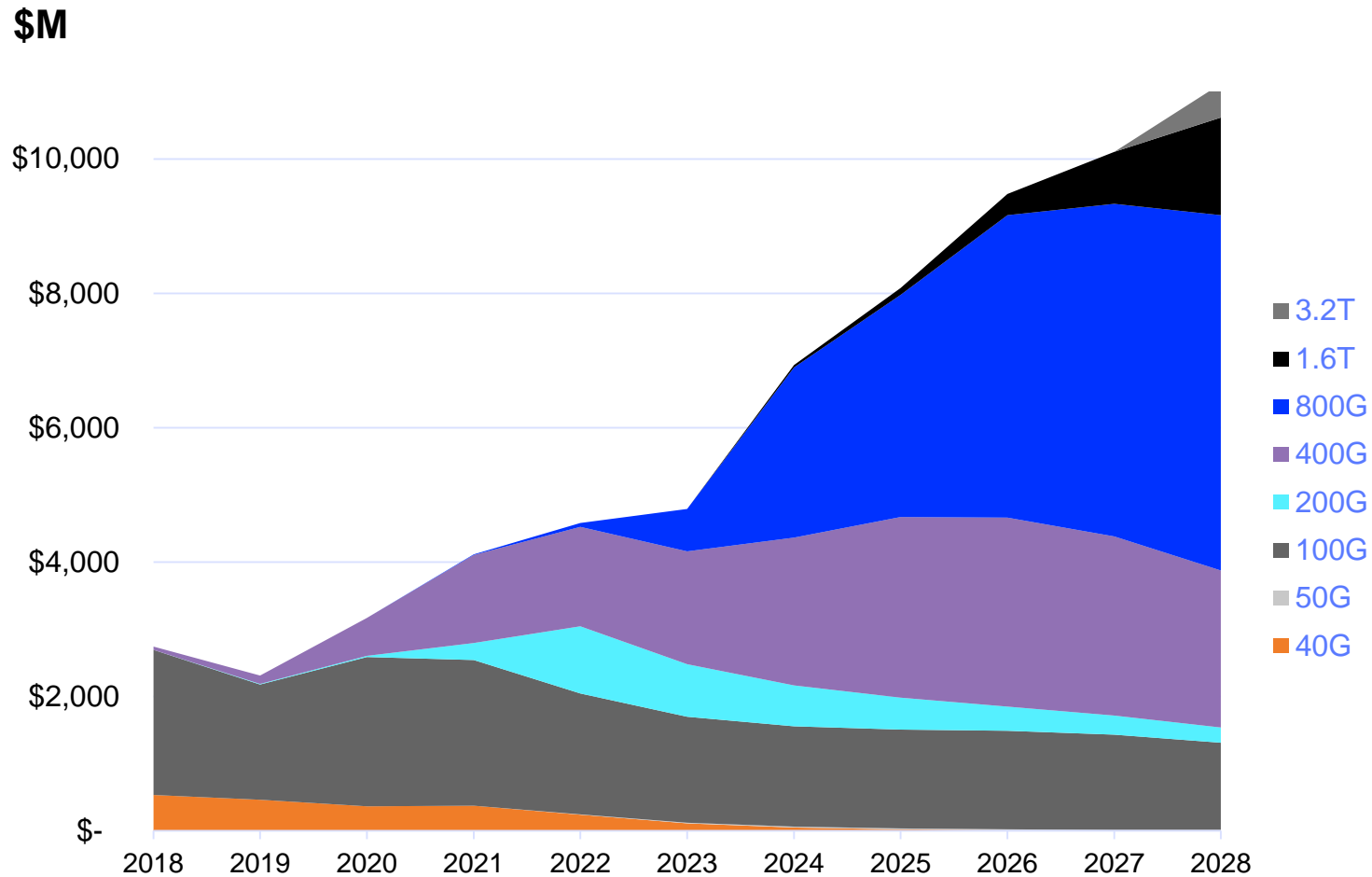
- Life sciences (biotechnology, medical, and environmental) and scientific segment solutions
- Custom solutions from proof-of-concept to manufacturing at scale
- Rapid time to market of complete turnkey subassemblies and systems
- Broadest product portfolio to support a wide range of applications
- Extensive technology innovation for next-generation capabilities
- Global manufacturing footprint and flexible supply chain partners

INNOVATIONS THAT RESONATE

ARTIFICIAL INTELLIGENCE

Driving growth in the cloud and beyond

DATAKOM TRANSCIVER GLOBAL MARKET



Source: LightCounting, Internal Estimates

\$1.3 billion

in sales in datacom in FY23

200G

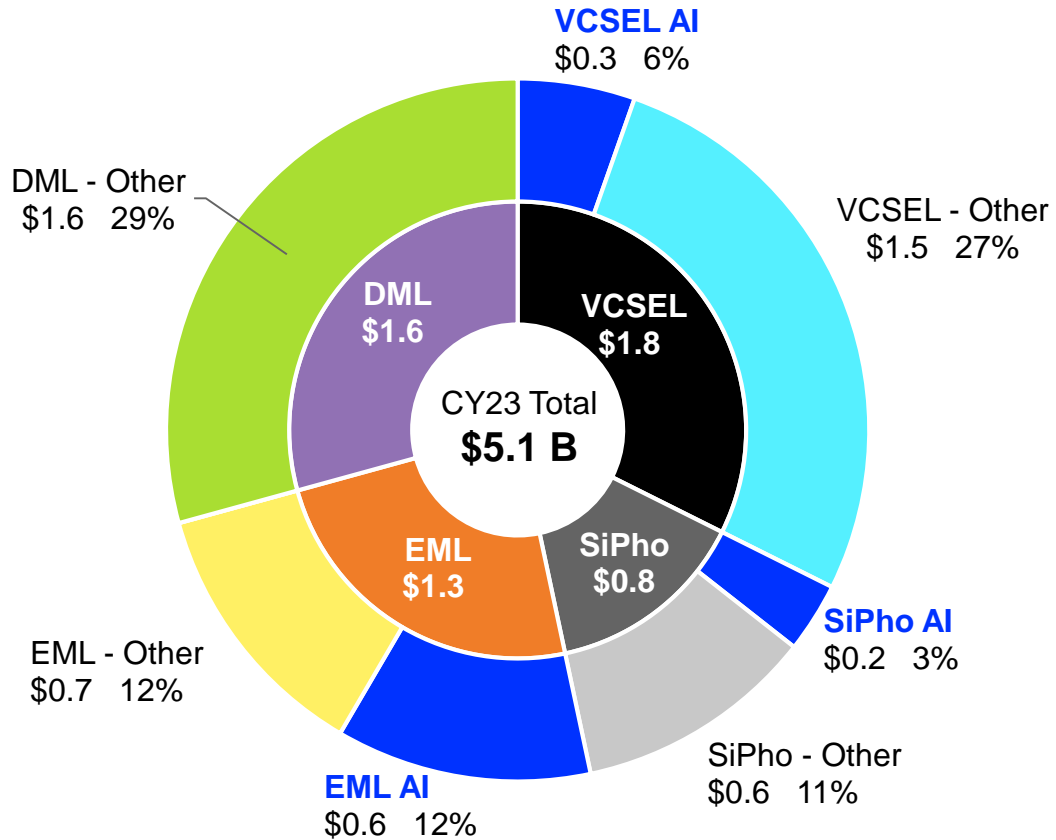
and higher data-rate transceivers
>65% of our revenue

800G

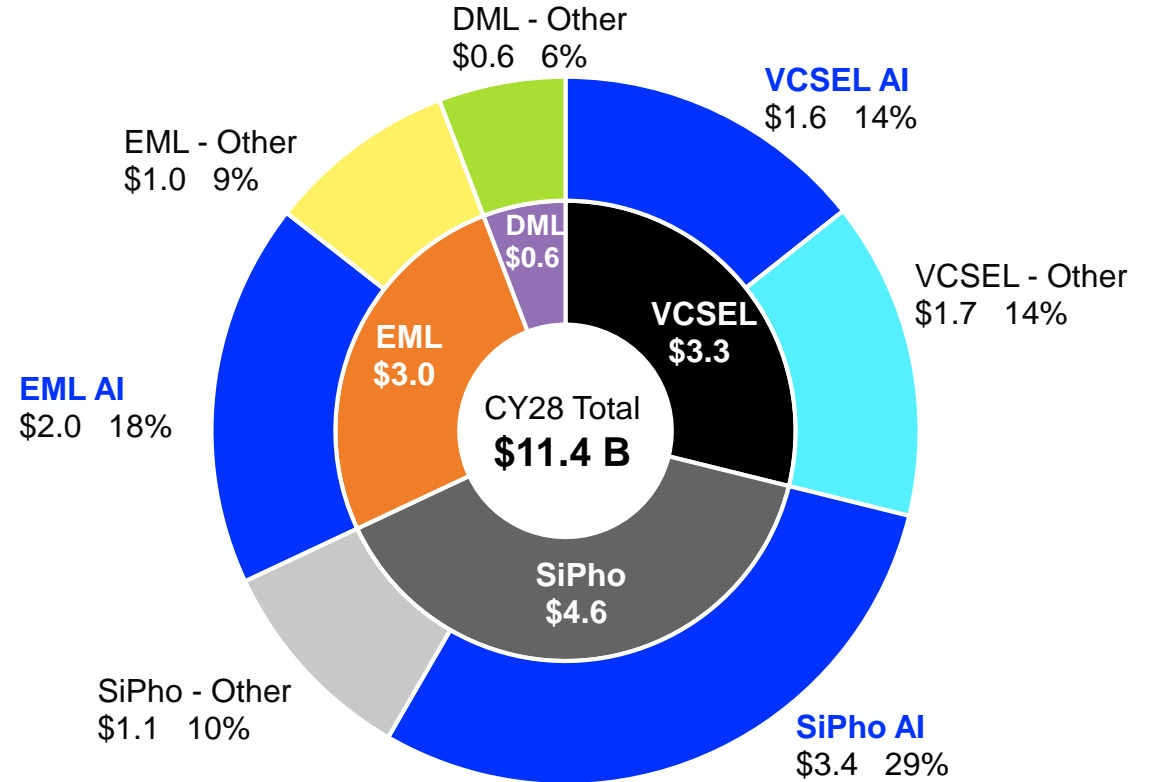
and higher data-rate
transceivers > 50% of the total
available market by 2027

DATACOM TRANSCEIVER OPPORTUNITY BY LASER TYPE

CY23 Transceiver Opportunity (\$B)



CY28 Transceiver Opportunity (\$B)



Datacom Transceivers for AI growing at a 44% CAGR ('23 – 28)

Source: LightCounting, Internal Estimates

SILICON CARBIDE

Electrification of transportation
Sustainability of the planet

POWER ELECTRONICS FOR GREEN AND CLEAN ENERGY

ELECTRIC VEHICLES



SOLAR & WIND ENERGY



SMART GRID POWER SWITCHING

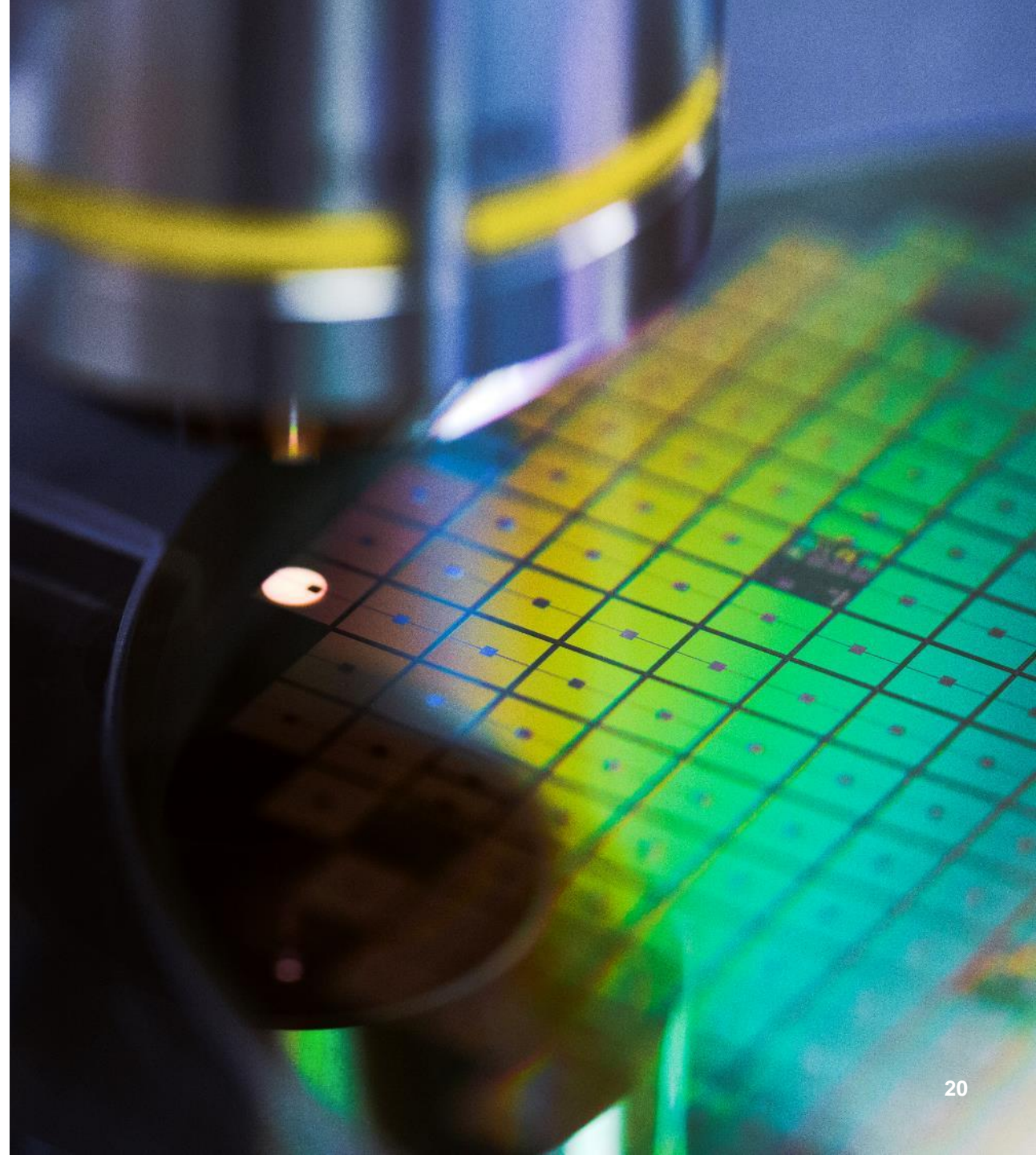
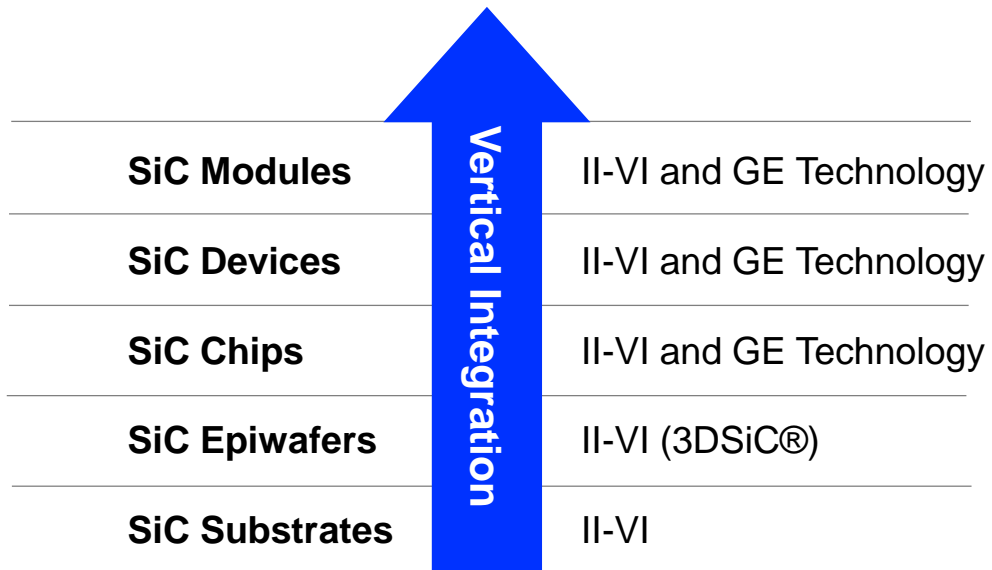


ACCELERATING TIME-TO-MARKET

JUNE 2020 - Licensed technology from **GE** to manufacture silicon carbide devices and modules for power electronics.

APRIL 2021 - Expanded SiC wafer finishing manufacturing footprint in China.

FEBRUARY 2022 - Qualified 1200 V SiC MOSFET and expanded relationship with **GE**.



SILICON CARBIDE BUSINESS OVERVIEW

Business Overview

Leading global supplier of silicon carbide (SiC) substrates for power device and radio frequency end market applications

- Large addressable market estimated to grow from \$3 billion in 2022 to \$21 billion in 2030 (28% CAGR)

Two decades of innovation in SiC materials

- Proprietary, in-house designed and built growth furnaces, control hardware and software
- Industry's first 200 mm substrate, with volume manufacturing scheduled for 2024

Vertical integration strategy from substrates to modules

- Key technologies and development of SiC MOSFETs

Global footprint with capacity to expand

- 8 sites across 3 continents to support global customers
- State-of-the-art 300,000 sq ft growth facility in Easton, PA with capacity to reach 1 million+ (150 mm equiv.) annual wafers

FY24 Key Stats

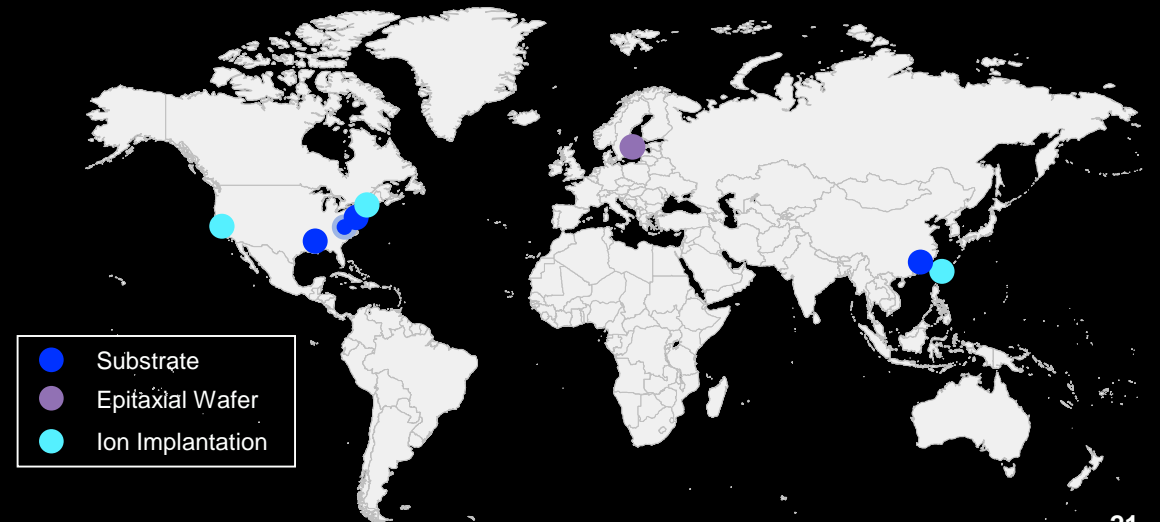
**~\$300M
Revenue**

**>50%
Growth**

Profitable

**625
Employees**

Global Footprint



SILICON CARBIDE INVESTMENT TRANSACTION TO SEPARATE SILICON CARBIDE BUSINESS WITH MARKET-LEADING PARTNERS



Leader in materials, networking and laser technologies



Global Tier-1 automotive supplier; leading capabilities in electrification and power semiconductors



Pioneer in silicon carbide power devices; leading capabilities in high-voltage industrial and transportation

Pro Forma Ownership

75%

12.5%

12.5%

Silicon Carbide Business

SILICON CARBIDE INVESTMENT TRANSACTION DETAILS

Transaction Structure	<ul style="list-style-type: none">▪ Coherent to separate and contribute SiC business (the “Business”) to newly-formed subsidiary▪ Denso and Mitsubishi Electric to each invest \$500 million into new subsidiary in exchange for combined 25% non-controlling interest in the Business (no proceeds to Coherent)▪ Coherent to retain 75% controlling interest in the Business at closing
Total Investment	<ul style="list-style-type: none">▪ \$1.0 billion▪ Investment to fund future capital expansion and operations of the Silicon Carbide business
Valuation	<ul style="list-style-type: none">▪ \$3.0 billion pre-money valuation for the Silicon Carbide Business; represents ~10x FY24E revenues
Governance and Business Leadership	<ul style="list-style-type: none">▪ Coherent entitled to appoint 100% of Board of the Business▪ The Business will continue to operate under the Coherent brand with current leadership team
Long-term Supply Agreements	<ul style="list-style-type: none">▪ Concurrently with closing, the Business to enter into long-term supply agreements with Denso and Mitsubishi Electric that support the expansion of its 150 mm and 200 mm substrate and epitaxial wafer shipments
Expected Closing Timeline	<ul style="list-style-type: none">▪ Expected to close by March 31, 2024, subject to regulatory approvals and satisfaction of other closing conditions

STRATEGIC BENEFITS OF THE SILICON CARBIDE INVESTMENT TRANSACTION

Silicon Carbide Business	<ul style="list-style-type: none">▪ \$1.0 billion capital to fund and accelerate growth plans▪ Long-term supply agreements with market-leading partners to support expansion of wafer shipments▪ Deepen strategic partnership with Denso and Mitsubishi Electric with leadership in end markets
Coherent	<ul style="list-style-type: none">▪ Values Coherent interest in Silicon Carbide business at \$3.0 billion<ul style="list-style-type: none">▪ Recognizes value of unique material technologies and investments to date▪ Represents ~10x FY2024E revenue▪ New investment to fund capital and operations of Silicon Carbide business<ul style="list-style-type: none">▪ Provides greater financial and operating flexibility for Coherent by freeing up capital Coherent had planned for Silicon Carbide business▪ Retains 75% ownership in the Business with continued operating and governance controls▪ Expanded growth prospects of pro forma entity

FINANCIAL HIGHLIGHTS

FY24 Q1 HIGHLIGHTS

REVENUE	\$1.053 billion, slightly above the midpoint of our \$1.0 – 1.1 billion guidance.
Non-GAAP EPS	\$0.16, above the midpoint of our \$0.05 - \$0.20 guidance. Excluding an extraordinary \$0.03 benefit from a lower than expected tax rate and an adverse \$0.01 impact from foreign exchange, Non-GAAP EPS would still have been \$0.14.
OPERATING CASH FLOW	\$199 million, compared to \$80 million in the year-ago quarter and \$182 million in the preceding quarter.
DEBT REDUCTION	We paid down \$19 million of our outstanding debt.
VISIBILITY	Macroeconomic uncertainty continues to impact our near-term growth and visibility; however, we expect sequential improvement in revenue growth throughout the remainder of fiscal 2024.
AI/ML	In the wake of the initial surge we saw at the end of our fourth quarter of fiscal 2023, we have seen strong follow-on orders for our AI/ML-related Datacom transceivers which has driven a significant increase in our backlog for 800G Datacom transceivers.

As required by Regulation G, we have provided reconciliations of those measures to the most directly comparable GAAP measures in the section captioned "GAAP to NON-GAAP RECONCILIATION."

FINANCIAL HIGHLIGHTS

	Sep 30, 2023	Jun 30, 2023	Sep 30, 2022
Revenue (M)	\$1,053	\$1,205	\$1,345
Non-GAAP Gross Margin	34.8%	35.9%	40.3%
Non-GAAP Operating Expense (M)	\$234	\$248	\$256
Non-GAAP Operating Margin	12.6%	15.4%	21.3%
Adjusted EBITDA (M)	200	257	351
Non-GAAP Diluted EPS	\$0.16	\$0.41	\$1.04

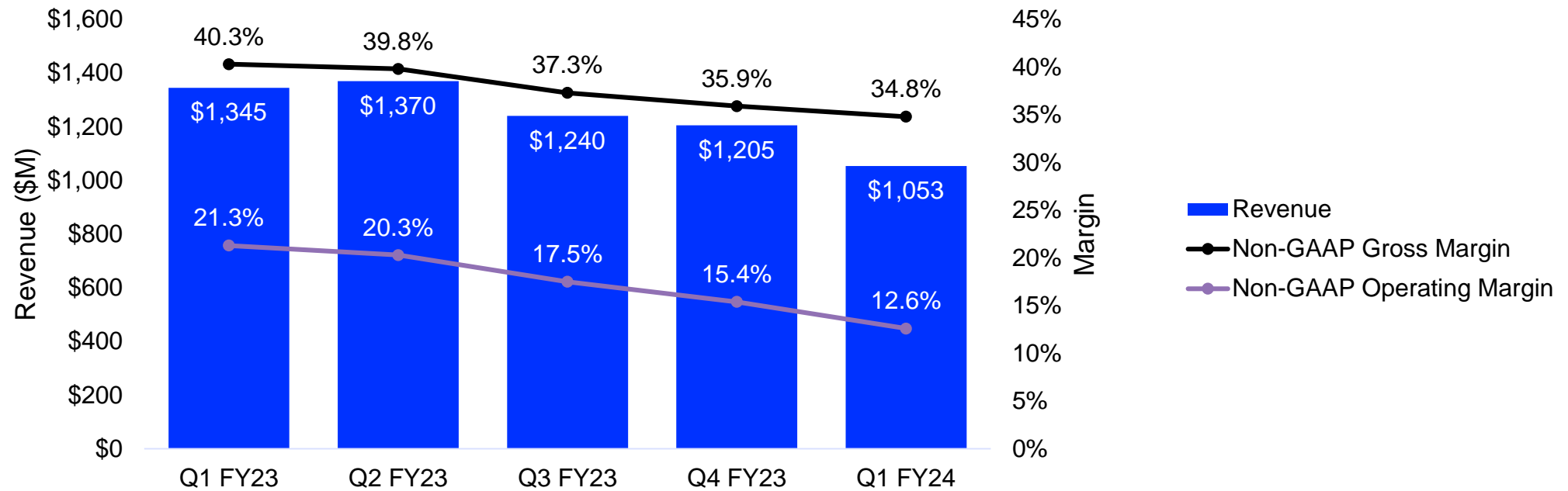
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OPERATING METRICS

	Sep 30, 2023	Jun 30, 2023	Sep 30, 2022
Cash (M)	\$941	\$833	\$899
Cash from Operations (M)	\$199	\$182	\$80
Capital Expenditures (M)	\$62	\$93	\$139
DSO (days)	73	68	65
Inventory Turns	2.3	2.6	2.7
Gross Leverage	4.0	3.6	3.8
Net Debt (M)	\$3,438	\$3,565	\$3,831

REVENUE AND NON-GAAP MARGIN⁽¹⁾ TRENDS

Lower Q1 FY24 primarily driven by lower revenue and short term capacity underutilization
 Transitory interruption of longer-term expansion trend



(1) All non-GAAP amounts exclude certain adjustments for share-based compensation, acquired intangible amortization expense, certain one-time transaction expenses, debt extinguishment expense, fair value measurement period adjustments and restructuring and related items.

(2) As required by Regulation G, we have provided reconciliations of those measures to the most directly comparable GAAP measures in the section captioned "GAAP to NON-GAAP RECONCILIATION."

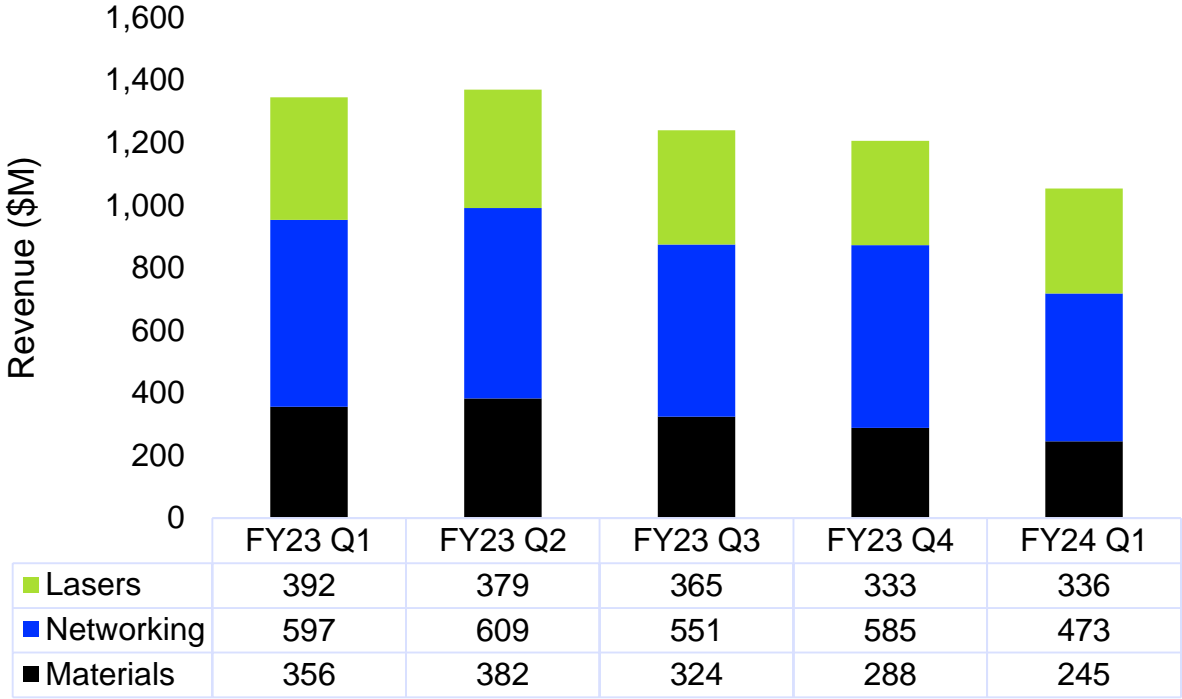
MARGIN STRUCTURE

Current downtrend	Ongoing weak end market demand due to macroeconomic conditions has played a significant role in our current margin downtrend.
Non-GAAP Gross and Operating Margin Targets	<ul style="list-style-type: none">▪ Second Quarter Fiscal 2024: 35 – 37% and 13 – 15%▪ Full Year Fiscal 2024: 36 – 38% and 14 – 16%▪ By the end of the first-half of fiscal 2026: 40% and 20%▪ Longer-Term: Low-40s and low-20s

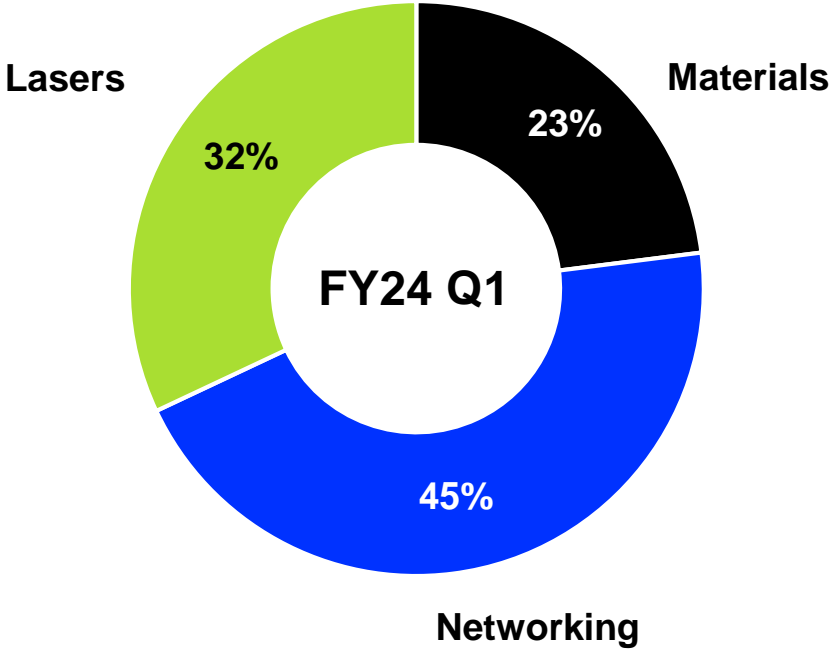
As required by Regulation G, we have provided reconciliations of those measures to the most directly comparable GAAP measures in the section captioned “GAAP to NON-GAAP RECONCILIATION.”

REVENUE BY SEGMENT

Quarterly Revenue Trend



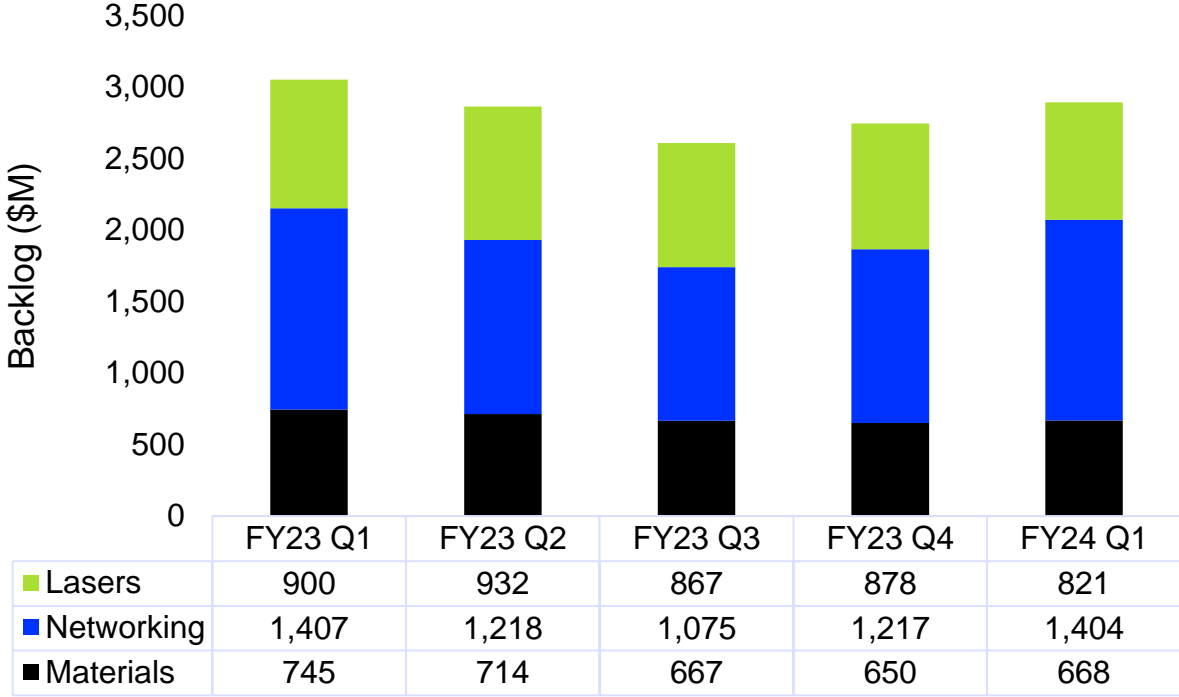
Revenue Distribution



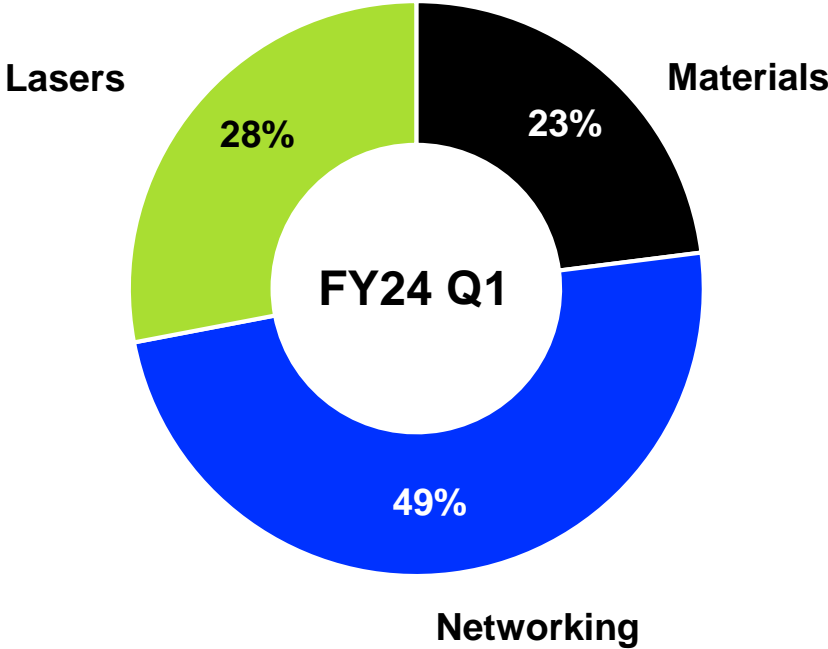
(1) Amounts may not recalculate due to rounding.

BACKLOG BY SEGMENT

Quarterly Backlog Trend



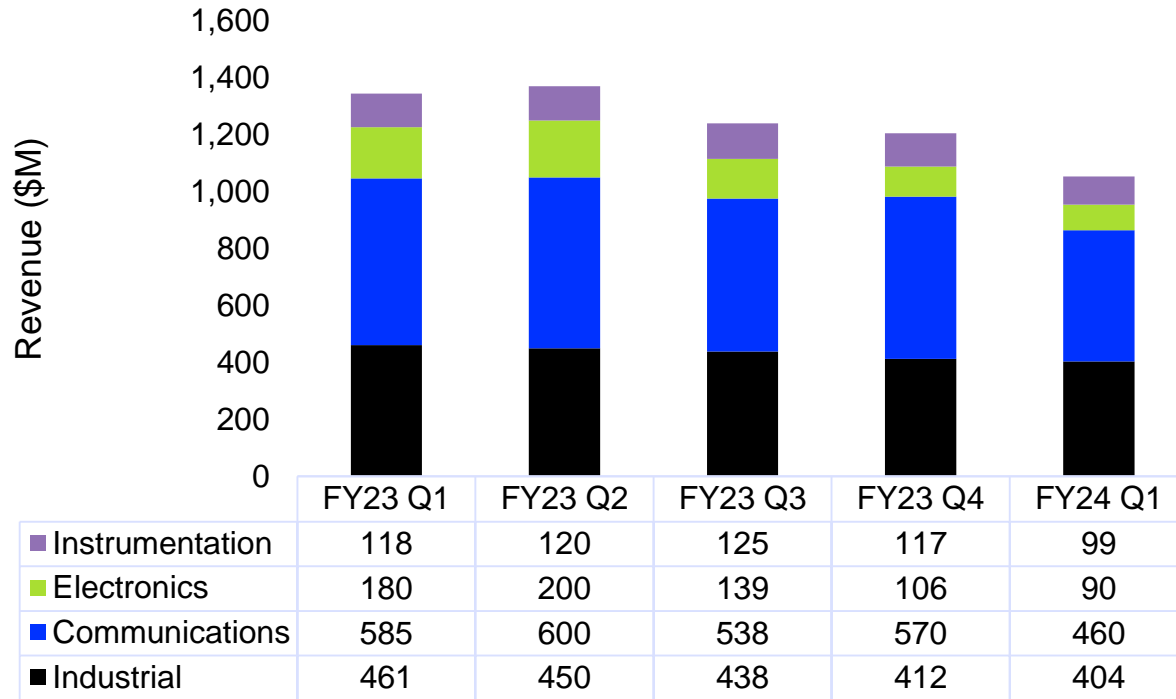
Backlog Distribution



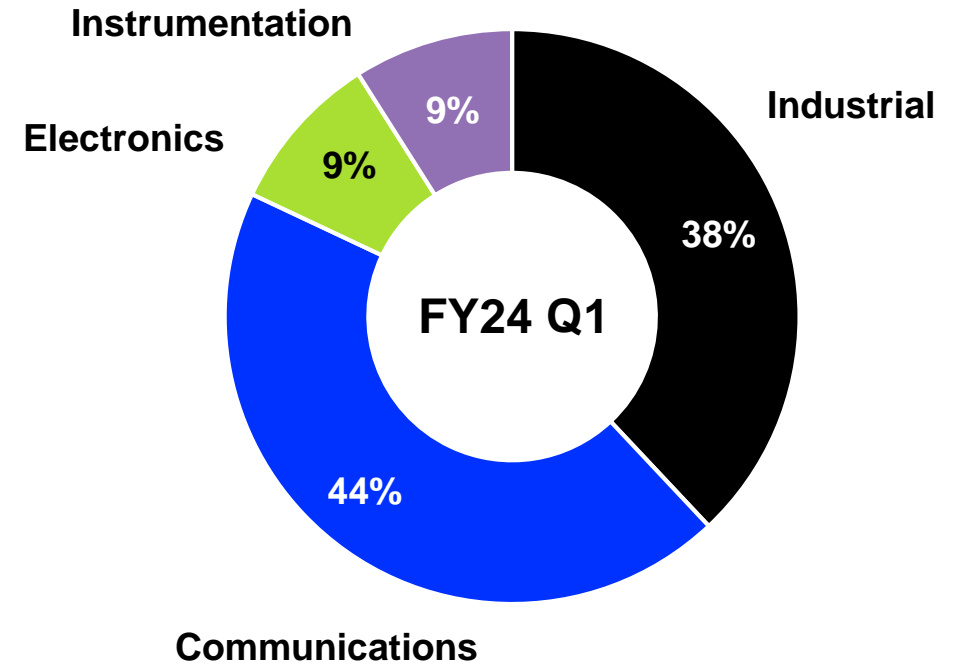
(1) Amounts may not recalculate due to rounding.

REVENUE BY MARKET

Quarterly Revenue Trend



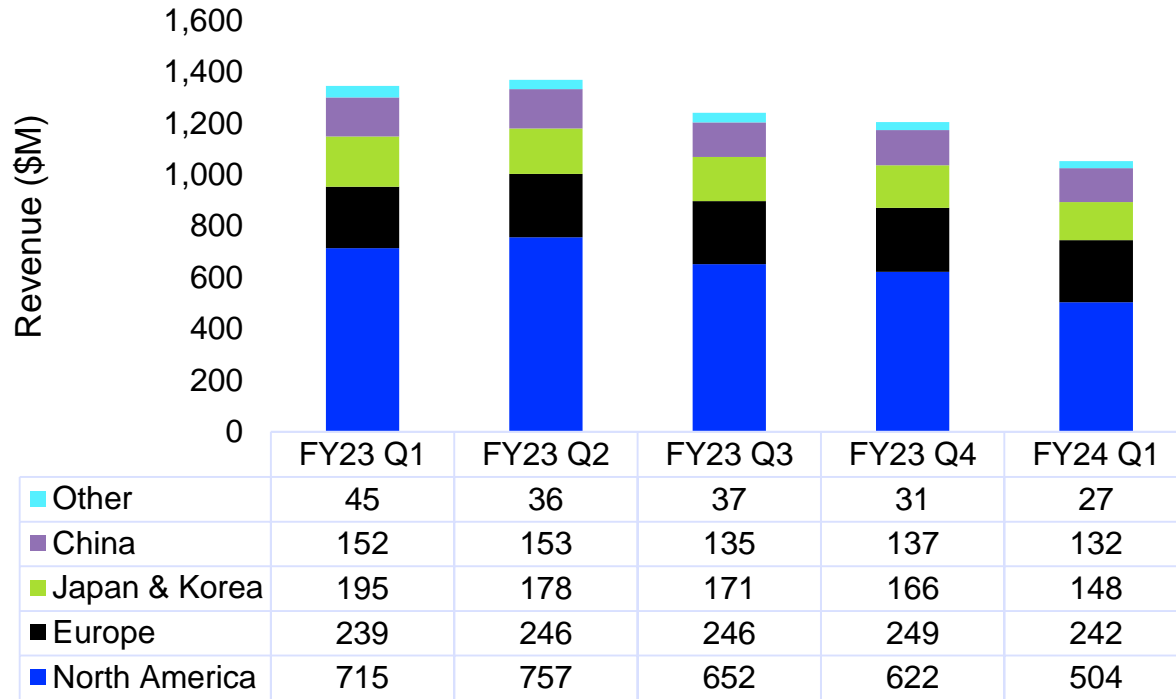
Revenue Distribution



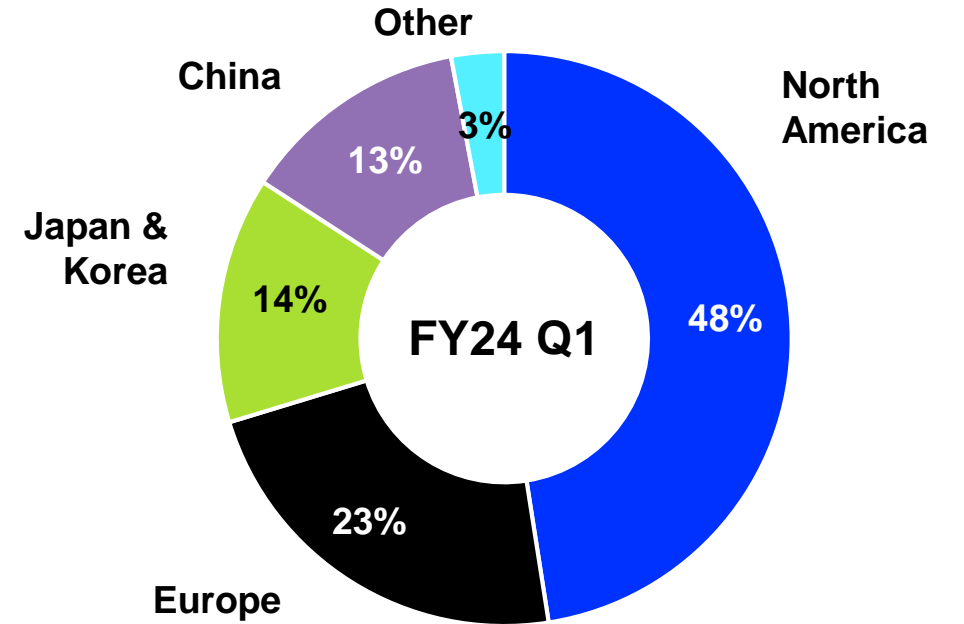
(1) Amounts may not recalculate due to rounding.

REVENUE BY REGION

Quarterly Revenue Trend



Revenue Distribution



(1) Amounts may not recalculate due to rounding.

FY24 Q2 OUTLOOK

Revenue		\$1.075 – 1.175 billion
Non-GAAP Gross Margin		35 – 37%
Non-GAAP Operating Expenses		\$238 – 252 million
Non-GAAP Operating Margin		13 – 15%
Non-GAAP Adjusted EBITDA		19 – 21%
Interest Expense		\$73 – 77 million
Non-GAAP Tax Rate		20 – 23%
Series B Preferred P.I.K. Dividend		Approximately \$30 million
Non-GAAP Earnings Per Share		\$0.14 – 0.32 ⁽¹⁾
Share Count		153 million for the entire guidance range
Capital Expenditures		\$95 – 125 million
Pretax amounts of Non-GAAP adjustments	Stock compensation	\$35 – 43 million
	Amortization	Approximately \$72 million
	Restructuring, synergies, and consolidation expenses	\$45 – 55 million

(1) The Company does not provide reconciliations of forward-looking Non-GAAP EPS. The Company is unable, without unreasonable efforts, to forecast certain items required to develop a meaningful GAAP financial measure that is comparable to this forward-looking figure.

FY24 FULL YEAR OUTLOOK

Revenue		\$4.5 – 4.7 billion
Non-GAAP Gross Margin		36 – 38%
Non-GAAP Operating Expenses		\$995 million – 1.025 billion
Non-GAAP Operating Margin		14 – 16%
Non-GAAP Adjusted EBITDA		20 – 22%
Interest Expense		\$284 – 294 million
Non-GAAP Tax Rate		18 – 20%
Series B Preferred P.I.K. Dividend		Approximately \$123 million
Non-GAAP Earnings Per Share		\$1.00 - 1.50 ⁽¹⁾
Share Count		153 million for the entire guidance range
Capital Expenditures		\$350 – 400 million
Pretax amounts of Non-GAAP adjustments	Stock compensation	\$140 – 158 million
	Amortization	Approximately \$290 million
	Restructuring, synergies, and consolidation expenses	\$165 – 185 million

(1) The Company does not provide reconciliations of forward-looking Non-GAAP EPS. The Company is unable, without unreasonable efforts, to forecast certain items required to develop a meaningful GAAP financial measure that is comparable to this forward-looking figure.

GAAP TO NON-GAAP RECONCILIATION

GROSS PROFIT RECONCILIATION

\$ Millions (Unaudited)	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023	Dec 31, 2022	Sep 30, 2022
Gross profit on GAAP basis	307	343	420	411	444
Share-based compensation	7	5	7	6	5
Amortization of acquired intangibles	31	39	31	15	47
Fair value adjustment on acquired inventory	—	—	—	112	46
Integration, site consolidation and other	21	46	6	1	—
Gross profit on non-GAAP basis	366	433	463	546	542

OPERATING EXPENSE RECONCILIATION

\$ Millions (Unaudited)	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023	Dec 31, 2022	Sep 30, 2022
Internal R&D on GAAP basis	114	123	126	129	121
Share-based compensation	(8)	(5)	(6)	(6)	(5)
Amortization of acquired intangibles	(1)	(1)	—	—	—
Integration, site consolidation and other	(1)	(3)	—	—	—
Internal R&D on non-GAAP basis	103	115	120	123	116
SG&A on GAAP basis	212	256	226	274	280
Share-based compensation	(29)	(17)	(23)	(23)	(43)
Amortization of acquired intangibles	(41)	(94)	(62)	(90)	(35)
Transaction fees and financing	—	—	—	—	(39)
Integration, site consolidation and other	(10)	(13)	(16)	(16)	(24)
SG&A on non-GAAP basis	131	133	126	145	140
Restructuring on GAAP basis	3	119	—	—	—
Restructuring charges	(3)	(119)	—	—	—
Restructuring on non-GAAP basis	—	—	—	—	—

INCOME FROM OPERATIONS RECONCILIATION

\$ Millions (Unaudited)	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023	Dec 31, 2022	Sep 30, 2022
Op. income (loss) on GAAP basis	(21)	(155)	67	8	43
Share-based compensation	45	26	35	35	53
Fair value adjustment on acquired inventory	—	—	—	112	46
Amortization of acquired intangibles	73	134	93	105	83
Restructuring charges	3	119	—	—	—
Transaction fees and financing	—	—	—	—	39
Integration, site consolidation and other	33	61	22	17	24
Op. income on non-GAAP basis	132	185	217	278	287
Non-GAAP Op. Margin Percentage	12.6 %	15.4 %	17.5 %	20.3 %	21.3 %

NET EARNINGS RECONCILIATION

\$ Millions (Unaudited)	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023	Dec 31, 2022	Sep 30, 2022
Net earnings (loss) on GAAP basis	(68)	(178)	3	(45)	(39)
Share-based compensation	45	26	35	35	53
Amortization of acquired intangibles	73	134	93	105	83
Fair value adjustment on acquired inventory	—	—	—	112	46
Foreign currency exch. (gains) losses	(1)	6	1	7	(3)
Restructuring charges	3	119	—	—	—
Integration, site consolidation and other	33	61	22	17	24
Transaction fees and financing	—	—	—	—	74
Tax impact of non-GAAP measures	(31)	(73)	(36)	(60)	(54)
Net earnings on non-GAAP basis	55	95	118	171	184

NET EARNINGS PER COMMON SHARE

\$ (Unaudited)	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023	Dec 31, 2022	Sep 30, 2022
Net earnings (loss), GAAP					
Basic Earnings (Loss) Per Share	(0.65)	(1.54)	(0.24)	(0.58)	(0.56)
Diluted Earnings (Loss) Per Share	(0.65)	(1.54)	(0.24)	(0.58)	(0.56)
Net earnings (loss), non-GAAP					
Basic Earnings Per Share	0.16	0.42	0.59	0.98	1.11
Diluted Earnings Per Share	0.16	0.41	0.58	0.95	1.04

EBIDTA AND ADJUSTED EBITDA RECONCILIATION

\$ Millions (Unaudited)	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023	Dec 31, 2022	Sep 30, 2022
Net earnings (loss) on GAAP basis	(68)	(178)	3	(45)	(39)
Income taxes (benefit)	(21)	(55)	(7)	(21)	(12)
Depreciation and amortization	138	204	161	170	147
Interest expense	73	79	75	71	62
Interest income	(4)	(4)	(2)	(2)	(1)
EBITDA	120	45	229	172	158
EBITDA margin	11.4 %	3.7 %	18.5 %	12.6 %	11.7 %
Prelim. fair value adj. on acquired inv.	—	—	—	112	45
Stock based compensation	45	26	35	35	53
Foreign currency exch. (gains) losses	(1)	6	1	7	(3)
Restructuring charges	3	119	—	—	—
Transaction fees and financing	—	—	—	—	74
Integration, site consolidation and other	33	61	22	17	24
Adjusted EBITDA	200	257	287	344	351
Adjusted EBITDA margin	19.0 %	21.4 %	23.1 %	25.1 %	26.1 %

RECONCILIATION OF GAAP MEASURES TO NON-GAAP MEASURES

Reconciliation of GAAP Measures to non-GAAP Measures*

\$ Millions

(Unaudited)

	Three Months Ended			Year Ended	
	Jun 30, 2023	Mar 31, 2023	Jun 30, 2022	Jun 30, 2023	Jun 30, 2022
Gross profit on GAAP basis	\$ 343.4	\$ 420.2	\$ 326.0	\$1,618.3	\$1,265.5
Share-based compensation	4.9	6.5	0.9	22.9	5.1
Amortization of acquired intangibles ⁽¹⁾	38.7	30.7	9.6	132.1	38.3
Preliminary fair value adjustment on acquired inventory	—	—	—	157.5	—
Integration, site consolidation and other ⁽³⁾	45.8	5.8	6.9	53.2	9.8
Start-up costs ⁽⁵⁾	—	—	—	—	2.8
Gross profit on non-GAAP basis	<u>\$ 432.8</u>	<u>\$ 463.2</u>	<u>\$ 343.4</u>	<u>\$1,984.0</u>	<u>\$1,321.5</u>
Operating income (loss) on GAAP basis	\$ (155.2)	\$ 67.4	\$ 114.2	\$ (37.1)	\$ 414.3
Share-based compensation	26.4	35.1	13.5	149.6	73.1
Amortization of acquired intangibles ⁽¹⁾	133.5	92.7	19.9	414.1	79.7
Preliminary fair value adjustment on acquired inventory	—	—	—	157.5	—
Restructuring charges ⁽¹⁾	119.1	—	—	119.1	—
Integration, site consolidation and other ⁽²⁾	61.3	21.9	7.5	124.5	14.3
Transaction fees and financing ⁽³⁾	—	—	7.1	38.7	36.6
Start-up costs ⁽⁴⁾	—	—	6.4	—	32.3
Operating income on non-GAAP basis	<u>\$ 185.1</u>	<u>\$ 217.1</u>	<u>\$ 168.6</u>	<u>\$ 966.5</u>	<u>\$ 650.2</u>

Reconciliation of GAAP Segment Operating Income (Loss) to

Segment Non-GAAP Operating Income (Loss)*

\$ Millions

(Unaudited)

	Three Months Ended			Year Ended	
	Jun 30, 2023	Mar 31, 2023	Jun 30, 2022	Jun 30, 2023	Jun 30, 2022
Networking GAAP Operating Income (Loss)	\$ (8.1)	\$ 49.5	\$ 67.1	\$ 222.4	\$ 231.6
Share-based compensation	7.6	6.9	3.1	33.6	30.9
Amortization of acquired intangibles ⁽¹⁾	22.9	16.5	16.5	72.3	66.3
Restructuring charges ⁽²⁾	55.6	—	—	55.6	—
Integration, site consolidation and other ⁽³⁾	0.9	1.8	2.3	5.2	6.2
Transaction fees and financing ⁽⁴⁾	—	—	0.5	—	0.5
Non-GAAP Networking Operating Income	<u>\$ 78.9</u>	<u>\$ 74.7</u>	<u>\$ 89.5</u>	<u>\$ 389.1</u>	<u>\$ 335.5</u>
Materials GAAP Operating Income (Loss)	\$ (65.0)	\$ 67.8	\$ 53.5	\$ 159.6	\$ 218.6
Share-based compensation	10.4	10.7	10.5	51.1	42.2
Amortization of acquired intangibles ⁽¹⁾	35.1	3.2	3.3	44.8	13.3
Restructuring charges ⁽²⁾	60.4	—	—	60.4	—
Integration, site consolidation and other ⁽³⁾	29.4	7.3	5.2	40.5	8.1
Transaction fees and financing ⁽⁴⁾	—	—	0.2	—	0.2
Start-up costs ⁽⁴⁾	—	—	6.4	—	32.3
Non-GAAP Materials Operating Income	<u>\$ 70.2</u>	<u>\$ 89.0</u>	<u>\$ 79.1</u>	<u>\$ 356.4</u>	<u>\$ 314.7</u>
Lasers GAAP Operating Income (Loss)	\$ (82.1)	\$ (49.9)	\$ —	\$ (419.1)	\$ —
Share-based compensation	8.4	17.5	—	64.9	—
Amortization of acquired intangibles ⁽¹⁾	75.6	73.0	—	297.1	—
Restructuring charges ⁽²⁾	3.1	—	—	3.1	—
Integration, site consolidation and other ⁽³⁾	31.0	12.8	—	78.8	—
Transaction fees and financing ⁽⁴⁾	—	—	—	38.7	—
Preliminary fair value adjustment on acquired inventory	—	—	—	157.5	—
Non-GAAP Lasers Operating Income	<u>\$ 36.0</u>	<u>\$ 53.4</u>	<u>\$ —</u>	<u>\$ 221.0</u>	<u>\$ —</u>
Unallocated and Other GAAP Operating Income (Loss)	\$ —	\$ —	\$ (6.4)	\$ —	\$ (35.9)
Transaction fees and financing ⁽⁴⁾	—	—	6.4	—	35.9
Non-GAAP Unallocated and Other GAAP Operating Income (Loss)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Total GAAP Operating Income (Loss)	<u>\$ (155.2)</u>	<u>\$ 67.4</u>	<u>\$ 114.2</u>	<u>\$ (37.1)</u>	<u>\$ 414.3</u>
Non-GAAP Operating Income	<u>\$ 185.1</u>	<u>\$ 217.1</u>	<u>\$ 168.6</u>	<u>\$ 966.5</u>	<u>\$ 650.2</u>

FINANCIAL APPENDIX

WELL CAPITALIZED FOR FUTURE GROWTH ⁽¹⁾

External Financing Sources

Debt	<ul style="list-style-type: none"> ▪ \$3.4B secured term loans ▪ \$990M high yield bonds ▪ \$346M revolver availability
Convertible Preferred Equity	<ul style="list-style-type: none"> ▪ \$2.15B series B investment from Bain Capital ▪ Coupon: 5%, 4-year payable-in-kind, cash pay option thereafter ▪ Conversion price of \$85.00 per share

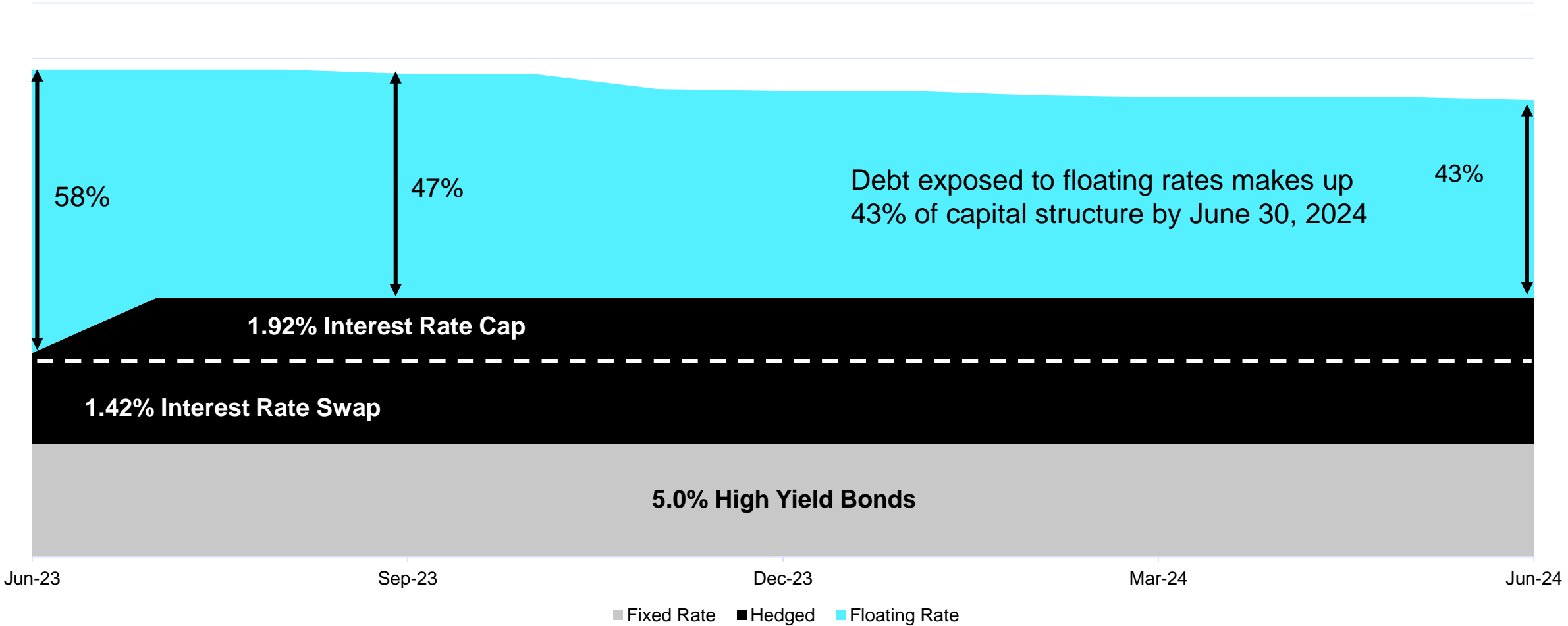
Leverage

Total Debt	\$4.38 billion	2.9x ⁽¹⁾
Cash	\$0.94 billion	
Net Debt	\$3.44 billion	2.3x ⁽¹⁾
PF Combined TTM Adj EBITDA⁽¹⁾	\$1,494 million (incl. \$143M synergies +\$263M additional cost savings)	
Fully-Diluted Shares Outstanding ⁽²⁾		
COHR basic shares		152M
Series B preferred		27M
Pro forma FDSO		179M

(1) Reflects, as of 9/30/2023, using pro forma TTM combined adj EBITDA at 9/30/23, including \$406 million of future expected cost savings within 36 months. Not calculated in accordance with Article 11 of SEC regulation S-X.

(2) Balances assuming all securities are dilutive as of 9/30/23. Not calculated in accordance with Article 11 of SEC regulation S-X.

DEBT EXPOSED TO FLOATING RATES DECREASES DURING FY24



SIGNIFICANT COST REDUCTIONS FROM RESTRUCTURING ANNOUNCED ON MAY 10, 2023

	Current Outlook	Previous Outlook
Cumulative savings for the period of FY23 to FY25	\$200 – 300M	\$200 – 300M
Annual savings by FY25	\$110 – 140M	\$100 – 125M
Cost to achieve savings	\$175 – 200M	\$150 – 200M

END MARKETS AND MARKET VERTICALS

END MARKETS	MARKET VERTICALS
INDUSTRIAL	<ul style="list-style-type: none">▪ Precision Manufacturing▪ Semiconductor Capital Equipment▪ Display Capital Equipment▪ Aerospace & Defense
COMMUNICATIONS	<ul style="list-style-type: none">▪ Datacom▪ Telecom
ELECTRONICS	<ul style="list-style-type: none">▪ Consumer Electronics▪ Automotive
INSTRUMENTATION	<ul style="list-style-type: none">▪ Life Sciences▪ Scientific Instrumentation

SEGMENT REVENUE BY END MARKETS FOR FULL YEAR FY23

Reported Segments	FY22 Revenue ⁽¹⁾	FY23 Revenue	FY23/ FY22 Revenue Growth	FY23 Op Margin – GAAP / Non-GAAP	End Market Distribution of Full Year FY23			
					Industrial	Communications	Electronics	Instrumentation
Materials Segment	\$1,119M	\$1,350M	21%	12% / 26%	45%	5%	46%	4%
Networking Segment	\$2,198M	\$2,341M	7%	10% / 17%	3%	95%	0%	2%
Lasers Segment	\$1,521M ⁽²⁾	\$1,469M	(3)%	(29%) / 15%	74%	0%	0%	26%
Proforma Combined	\$4,838M⁽¹⁾	\$5,160M	7%	(1%) / 19%	34%	44%	13%	9%

(1) Proforma non-GAAP revenue combines II-VI FY22 and Coherent 12 months ending 6/30/22. Not calculated in accordance with Article 11 of SEC regulation S-X.

(2) Coherent revenue 12 months ending 6/30/22.

SEGMENT REVENUE BY END MARKETS FOR Q1FY24 QTD

Reported Segments	Q1FY23 Revenue ⁽¹⁾	Q1FY24 Revenue	Q1FY24/ Q1FY23 Revenue Growth	Q1FY24 Op Margin – GAAP / Non- GAAP	End Market Distribution of Q1FY24 QTD Revenue			
					Industrial	Communications	Electronics	Instrumentation
Materials Segment	\$356M	\$245M	(31)%	3% / 17%	54%	5%	36%	4%
Networking Segment	\$597M	\$473M	(21)%	3% / 11%	3%	94%	0%	2%
Lasers Segment	\$392M	\$336M	(14)%	(13)% / 12%	76%	0%	0%	24%
Consolidated	\$1,345M	\$1,053M	(22)%	(2%) / 13%	38%	44%	9%	9%

(1) Amounts may not recalculate due to rounding.

C**HERENT**